

LOWER MEDWAY INTERNAL DRAINAGE BOARD



**MINUTES OF A MEETING OF THE FINANCE COMMITTEE
HELD AT 13 CONQUEROR COURT, SITTINGBOURNE
ON THURSDAY 7 SEPTEMBER AT 2PM**

Members of the Committee Present

Chairman: J Mair (remotely)
G Fulton (remotely)
J Lewis
S Mair
P Marchington

In attendance

P Haselhurst – Clerk
W Smith – Works Manager
L Rowland – Office Manager

1. APOLOGIES FOR ABSENCE

Apologies were received from G Etheridge.

2. ITEMS OF INTEREST DECLARATION

No items of interest were declared.

3. FLAILBOT

RECEIVED a copy of the Works Manager's Purchase of Robotic Mower Report.

The Works Manager said there wasn't much more to add to his report, but he wanted to reiterate that using a flailbot would improve site safety and visibility. He explained that during the last 18 months it has become apparent that there are several watercourses where it is difficult to undertake flail mowing operations with tractors due to access issues and challenging terrains which increases health and safety risks.

The Works Manager confirmed that two demonstrations had taken place. One for the Energreen RoboEvo machine, which the Chairman of the Board, S Mair had attended alongside the Clerk and workforce. The other for the Bomford Flailbot. Both demonstrations took place on watercourse 90 at Kemsley and the results were impressive. He confirmed that both machines were very similar with the Energreen RoboEvo ARM coming in slightly cheaper and is the only machine that could have a

telescopic arm which would allow us an extra 3.5M reach, which was something we could consider for the future.

The Works Manager confirmed that purchase quotations had been received as follows:

- Energreen RoboEvo - £53,450 + VAT will specify LED beacon + quick release hydraulic connector (July 2023 quote + in stock ready for delivery).
- Bomford Flailbot - £57,050 + VAT (July 2023 quote – 8–10-month lead. This was last year's quote being held until September 2023 or cost increase due to manufacturing cost rises due).
- McConnel T600 - £55,625 + VAT (September 2022 quote – 8-month lead at time of quote).

The Works Manager explained that we would also need to purchase a new trailer, and trade in our existing one, quotations received as follows:

- Bateson 1064 GP trailer (3m x 1.8m 2600KG) - £4,233 + VAT.
- Brian James GP trailer (3.1m x 1.6m 2700KG) - £5,525 + VAT – online configurator quote August 2023.
- Ifor Williams LM105 RAMP trailer (3.1m x 1.6m 2700KG) - £5,828 + VAT.

The Works Manager explained that he had also looked at hiring costs which are around £1,000 a week.

The Works Manager confirmed his recommendation was an outright purchase of the Energreen RoboEvo at £53,450 and Brian James trailer at £5,525 which would be funded from the plant reserve. His view was this offered us the most flexibility to undertake works when required, enabling the Board to be efficient with their timing of works.

The Clerk added that by having a flailbot, there is an opportunity for us to potentially review our plant in future. Confirming that at present, we have two large tractors and instead we could instead have one large tractor and one smaller tractor working alongside the flailbot. She said that the paper put forward today summaries our justification for the use of a flailbot and considers the two different means of doing so (purchasing outright or hiring route). She said there is clearly a big difference in the cost between those options. She said there is a benefit in having our own machine, with the flexibility it gives us in planning works. She said she was not confident we would have the same flexibility if we went down the hire route.

S Mair said that he has looked at both options and he also has concerns regarding availability/lead times in hiring machines bearing in mind the use of the machine could be weather dependent. He asked if an exercise had been done to consider the purchase cost against depreciation over a four-year period, including depreciation etc versus hire costs including hours usage and man hours.

The Works Manager said it was difficult to give an estimation of hours usage as that would be dependent on the watercourse itself. He confirmed that the machine wouldn't be a 4–5-year purchase like our trucks and tractors, but a 8-10 year purchase. He said that he has checked the used market and used machines from 2012 onwards range from £18,000 to £35,000. He said that he spoke to the Bomford representative regarding hiring, and he confirmed that machines are available and are very difficult to

get hold of and one of the terms of conditions would be on the a basis of long-term hire (4-6 months).

The Works Manager explained that he had also looked into hiring costs which are around £1,000 based on a 5-day week. He explained that machines are available for hire but can be difficult to get hold of and could be on a basis of longer-term hire (4-6 months).

The Chairman that if we were to hire it on a guaranteed period, he would expect the rate to discounted.

S Mair asked what period of the year a machine could be used considering the restrictions on cutting throughout the year. With this in mind, an estimated calculation was done for hiring a machine for c. 4 months/17.3 weeks as follows: 17.3 weeks x £850 (assuming long term discount) = £14,705 x 8 years = £117,640 which would be considerably more than purchasing a machine.

G Fulton raised a concern that the machine wouldn't be able to be used on steep banks when wet and wanted more an indication of scale of usage and therefore justification of need.

The Works Manager confirmed that we wouldn't be using it on banks all the time and we would be looking to open up visibility for the tractor drivers to be able to do their job. He also confirmed that included in the price was super rubber tracks so they can potentially be used all year round and as we would be running on flat a lot of the time, so wet weather shouldn't affect them.

S Mair confirmed when he attended the demonstration, on the watercourse they went to there was absolutely no way you could risk putting a tractor in, because you couldn't see where the ditch was. Once the machine was used, it meant the tractor driver could go through quite safely and there were no risks.

The Chairman commented that on his farm they use a 3M wide front mounted flail mower to do a similar job.

The Works Manager confirmed that the tractors we have do not have front PTOs.

The Chairman suggested initially asking a contractor to cost the job up. He felt it would be wise to have a contract in place initially so we can prove the worth, before purchasing one.

P Marchington raised the issue of Health and safety, he said that if these machines become normal procedure with regards to risk assessment and method statements situations you are running greater risk of responsibility in event of a claim if your health and safety do not match those of the contractors. He added that with regards to long term hire, you were running the risk of not being able to use during wet periods. If you own your own, you can utilise the dry periods more efficiently.

The Clerk felt that going via the contractor route we would still incur similar, if not more costs to the hiring route and we would not benefit from the flexibility of being able to suddenly mobilise a mower when required and adjusting our works accordingly.

J Lewis felt if the machine was worth its salt, we should own our own. He said his experience with hiring machines was that everyone wants them at the same time and unless you are a big customer you don't get the results. He said there are places on his own farm that he was not prepared to take a tractor.

S Mair suggested establishing an in-principle route at this point so the Committee would know where they should put their focus.

The Chairman proposed that we initially ask a contractor to price the job up and asked if anyone supported that view.

G Fulton said that he would if we knew what we were asking a contractor to look at as they would not be prepared to price on hypotheticals.

P Marchington asked if we owned our own machine would we need to increase staff or would be handle this with the staff in hand.

The Works Manager confirmed this could be handled in hand.

The Clerk said that if Members were unsure on which way to consider this, she suggested we could have a proposition that considered an an upper limit we would accept for contracting costs, and that if quotes exceeded that, there was an in-principle agreement to directly purchase one.

J Lewis said he also felt we didn't know exactly how beneficial this would be for us and having a contractor initially should be taken into consideration, before purchasing one.

The Committee debated the purchase, hire and contract options further at some length.

The Chairman asked Members to raise their hands to vote if they were in favour of a purchase of a flailbot and trailer. S Mair, J Lewis, P Marchington and G Fulton were in favour.

It was **AGREED** to proceed with the purchase of a flailbot and trailer.

4. DATE OF NEXT MEETING

The date of the next/Q2 Finance meeting was confirmed for Monday 9 October 2023 at 12pm.

5. CLOSURE

There being no further business the Chairman thanked Members for their attendance and declared the meeting closed.